

JULY 16, 2005 ELECTION
PARISH OF LAFAYETTE
CITY OF LAFAYETTE PROPOSITION
(BOND)

SUMMARY: AUTHORITY FOR THE CITY OF LAFAYETTE TO ISSUE NOT EXCEEDING \$125,000,000 OF 25-YEAR REVENUE BONDS FOR THE PURPOSE OF CONSTRUCTING, ACQUIRING, DEVELOPING, EXTENDING AND IMPROVING A LOCAL COMMUNICATIONS NETWORK THAT WILL OFFER TELEPHONE, CABLE TV, HIGH-SPEED FIBER TO THE HOME (FTTH) INTERNET AND OTHER RELATED SERVICES (THE "COMMUNICATIONS SYSTEM") AND, SHOULD THE CITY DETERMINE THAT ANY BOND PROCEEDS ARE UNNECESSARY FOR COMMUNICATIONS SYSTEM PURPOSES, FOR REPURCHASING OR PAYING ANY SUCH BONDS AND FOR CONSTRUCTING, ACQUIRING AND IMPROVING THE CITY'S COMBINED WATERWORKS, ELECTRIC AND SEWER SYSTEMS (THE "UTILITIES SYSTEM"), INCLUDING ACQUIRING THE NECESSARY FURNITURE, FIXTURES AND EQUIPMENT IN CONNECTION WITH ALL THE ABOVE DESCRIBED ADDITIONS AND IMPROVEMENTS, PAYING THE COSTS OF ISSUANCE, FUNDING A RESERVE FOR THE BONDS, AND PROVIDING WORKING CAPITAL, SAID BONDS TO BE PAYABLE FIRST, FROM THE NET INCOME AND REVENUES OF THE COMMUNICATIONS SYSTEM AND SECOND, TO THE AMOUNT NECESSARY, FROM A SECONDARY OR SUBORDINATE PLEDGE OF THE REVENUES OF THE UTILITIES SYSTEM.

Shall the City of Lafayette, State of Louisiana (the "City"), issue its communications system revenue bonds in an amount not exceeding One Hundred Twenty-Five Million Dollars (\$125,000,000) to run not more than twenty-five (25) years from date of issuance to be sold at par, premium or discount with interest at a rate or rates not exceeding nine per centum (9%) per annum, for the purpose of constructing, acquiring, developing, extending and improving a local communications network that will offer telephone, cable TV, high-speed fiber to the home (FTTH) Internet service and other related services, (the "Communications System") and, should the City determine that any bond proceeds are unnecessary for Communications System purposes, for repurchasing or paying any such bonds and for constructing, acquiring and improving the combined waterworks plant and system, electric power and light plant and system and sewer systems of the City (the "Utilities System"), including acquiring the necessary furniture, fixtures and equipment in connection with all the above described additions and improvements, as established and set forth in the City's then current capital budget adopted after budget hearings held in the manner contemplated by the Home Rule Charter, paying the costs of issuance, funding a reserve for the bonds, and providing working capital, said bonds to be payable from the net income and revenues of the Communications System and to the amount necessary, from a secondary or subordinate pledge of the revenues of the Utilities System?